



**Retail
Soy
Group**

**Annual Report
2022 and 2023**

Foreword

Over the past years, retailers have seen the profile and urgency within the industry of addressing deforestation and conversion in soy production raise considerably. Whether it has been from the signs of climate change having an impact on production and logistical systems, or the introduction of new legal requirements for businesses up and down the supply chain to act, this is a period of significant change.

As retailers within the Retail Soy Group, we stand at the junction between society and the food production system. We share the same desire as our customers for a more sustainable landscape of consumption.

Our group continues to make strides in bringing peers together to collaborate in a forum that ensures we are levelling the playing field with our knowledge and share best practices and insights on possible solutions.

***Maarten Vreeswijk,
Manager Biodiversity & Product
Sustainability - Ahold Delhaize.***



Key Highlights

- ➔ Direct engagement with policy makers in producing and consuming nations with the aim at creating a level playing field where sustainable soy is the norm.
- ➔ Development of implementation tools to allow retailers to engage and accelerate the transition to deforestation and conversion free supply chains.
- ➔ Publication of capacity building e-learning materials and courses to rapidly upskill and share best practice with supply chains, advocacy and civil society practitioners and policy makers.
- ➔ Educational and relationship building field trips with retailers and their supply chains, from farm to feed mill.
- ➔ Climate-aligned strategy advocacy with policy makers, inside and outside of businesses.



About us

The Retail Soy Group (RSG) was formed in 2013 to address a sector-wide gap in meeting demand for sustainably produced soya.

It is an independent group of international retailers working collaboratively in a pre-competitive space, to find industry-wide solutions for soy for their animal feed and human food supply chains.

Facilitated by



Members



We are **committed** to sourcing and buying soy responsibly



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01

Our vision and approach

What we do



The Retail Soy Group seeks to support the development of a market where sustainable soy* is the norm.

Theory of Change

To deliver on our vision, our peers, policy makers, civil society, and supply chains – from farmer to livestock producer and manufacturer – must be aligned on our collective understanding of the challenges and opportunities available.

Our group exists to

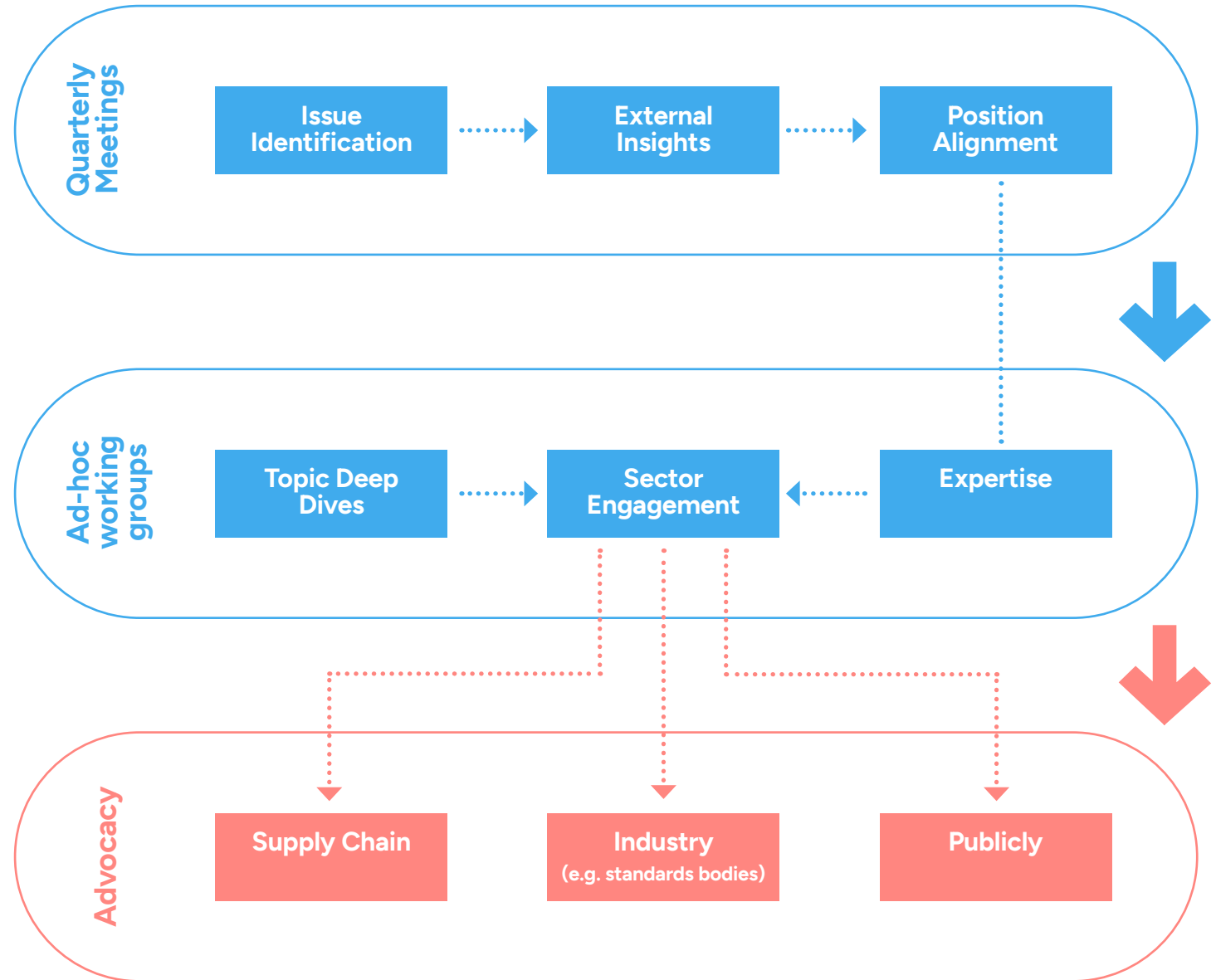
- **Engage** with each other as retailers in a pre-competitive forum, as well as with policy makers, civil society, and our indirect supply chains.
- **Build capacity** in our supply chains to take effective action.
- **Collaborate** with willing partners to develop opportunities and deliver on our shared ambition.

*Legal; deforestation and land conversion free; and responsibly produced, providing net benefits for people and the environment.

Structure

Our group provides a venue for retailers to discuss and align on matters related to the transformation of the soy sector.

By working together we are able to ensure that we're at the forefront of sustainable innovation by using our unique position of being able to collectively engage with the key actors in the supply chain that can most effect change.



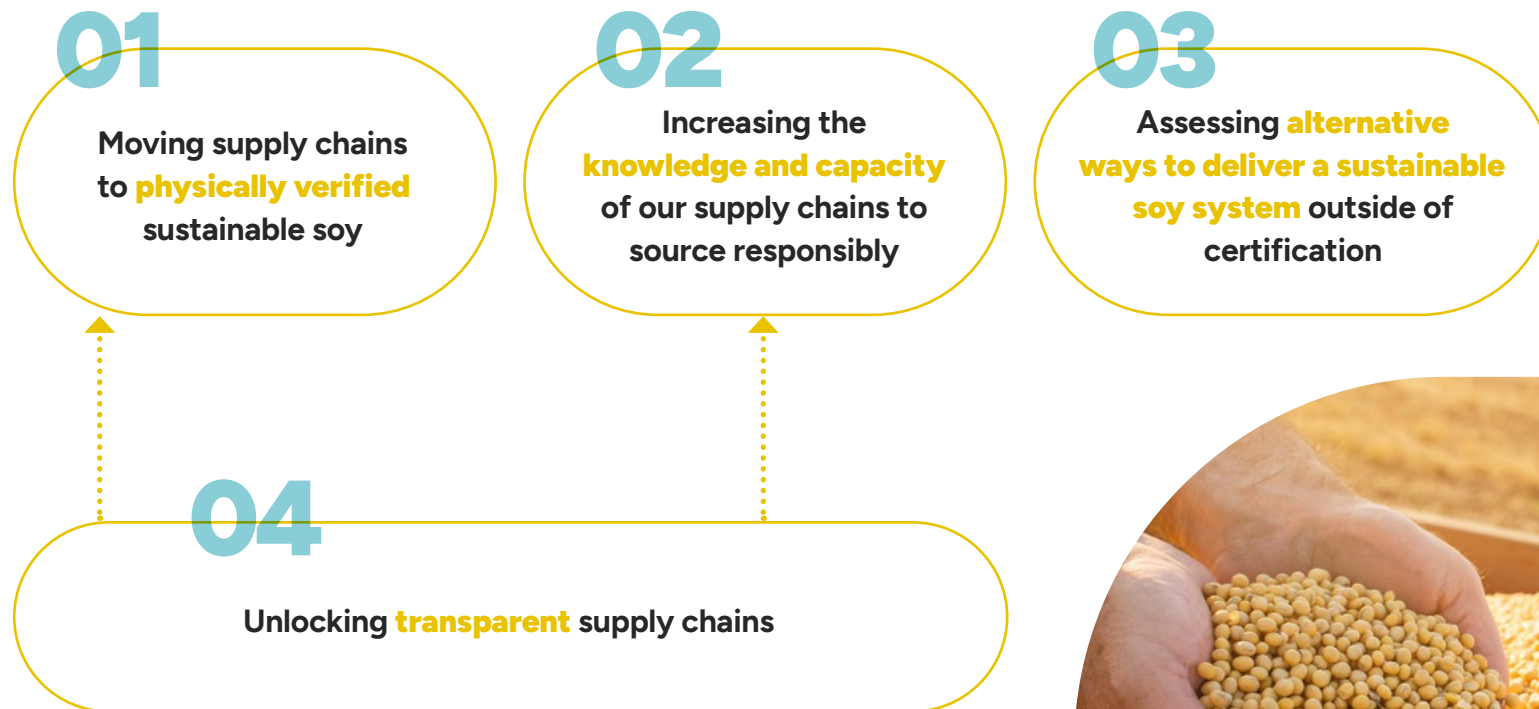


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Key developments

Focus for 2022 and 2023

With the emergence of new regulatory requirements and the expansion and harmonisation of retailer policy goals, our efforts as a group over the past two years have focused heavily on engagement and capacity building.



A period of renewed focus

We face an increasing urgency to rapidly understand and align on the solutions needed to address the complex challenges of altering a production system far removed from the direct influence of retailers.

There is much more to do, and not everything is moving at the pace that is needed, but the frameworks and discussions are converging in the right direction.



Environmental Change

- Climate change is beginning to [affect production systems](#) with rainfall and yield volatility.
- Potential [collapse](#) of the Amazon biome as a rainforest.

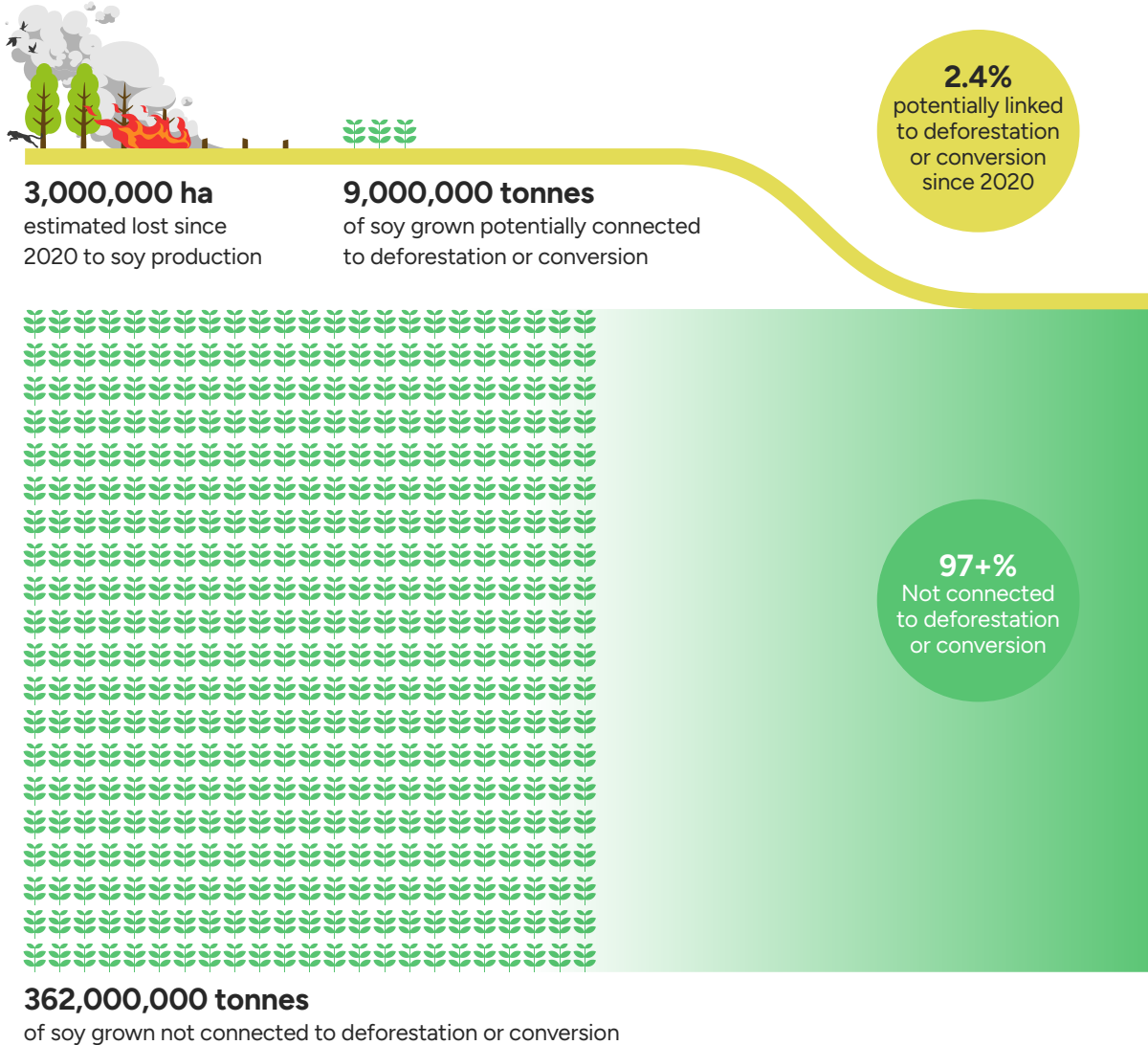
Political Change

- Introduction of legal requirements for [European](#) and [UK](#) businesses to exercise due diligence, to farm-level, for ensuring deforestation-free – and legal – soy production.
- New [Brazilian commitments](#) to eliminate deforestation by 2030, with increasing enforcement of existing protections.

Business Change

- Feed sector alignment with best practice on defining deforestation- and conversion-free supply as a minimum requirement in FEFAC's [Soy Sourcing Guidelines \(2023\)](#).
- Requirements for businesses with science-based targets to have [credible deforestation- and conversion-free commitments](#).
- Soy traders are now [aligned](#) to eliminate deforestation from their supply chains by 2025 in high-risk South American countries.

Only a fraction of global soy production is connected to forest loss and conversion



371

million tonnes of soy produced globally in 2022

How we know there isn't an availability gap

1. In 2022, 371m tonnes of soy produced ([UN FAO](#))
2. Average yield: 2.87 tonnes/hectare ([UN FAO](#))
3. Deforestation or conversion potentially linked to soy have been estimated to be around 1,000,000 hectares per year since 2020
4. Total soy from deforested or converted land = ~9 million tonnes (3 years x 3m tonnes of soy per 1m hectares lost per year)
5. 9 million tonnes / 371 million total tonnes of soy in the world = 2.4% potentially linked to deforestation or conversion

What we are missing is the supply chain transparency and evidence in retail supply, and private sector policies that will effectively prevent further deforestation and land conversion.

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Delivering on our focus areas

Building capacity in the sector

A key theme of our work in 2022 and 2023 has been engaging with our peers, stakeholders, policy makers and suppliers to align our ambitions and provide the tools needed to deliver it.



E-Learning Materials

There are many different actors that need to be engaged to understand what policies may be effective, and what companies need to do to deliver them. The RSG produced standard materials that can be adopted and applied by any business to ensure that the same vocabulary, evidence and positions are being used for consistent value chain engagement.



Upskilling webinars

2022 and 2023 have been years of substantial change in the soy policy landscape. With the adoption of the EU Deforestation Regulation (EUDR), companies now have a legal obligation to ensure their supply chains are deforestation free. Soy, as one of the regulated commodities, presents more unique challenges due to its largely indirect presence in supply chains where the legal exposure is often with companies several tiers removed from a retailer. In 2023, the RSG held a series of public webinars to explain the requirements and what actions companies need to take. Approximately 250 organisations joined our EUDR webinar in Feb 2023.



Templates for action

All companies need to understand what their supply chain is doing to address soy. Consistency in making these types of requests via standardised templates provides efficiency and enables those working in sustainable sourcing to spend more time on implementing their plans and less time reporting in different formats.

Key Success e-learning course

Providing free training and resources for all

There is a steep learning curve to understanding the complex nature of the soy value chain. Without a core understanding of the different ways in which the system is operating and is influenced, it is difficult for supply chains and policy makers to know that their efforts are targeting the most material areas that can deliver change.

In November 2022 the Retail Soy Group launched a free-to-access [e-learning course](#) that provides an overview of everything from 'what is soy' to how to plan and implement an action plan.

Since its launch, the course has been adapted and used within retail supply chains as well as by civil society groups. It is currently being translated into Mandarin by WWF China to engage and support the Chinese retail sector.

Steps to implementing a due diligence system

- Requirements for action will affect all aspects of procurement
- New information will need to be collected, stored, and made available to customers
- Handbooks and guides are being developed to support specific aspects



Course Overview

- Module 1: Soy Story
- Module 2: Managing Risk
- Module 3: Business Case
- Module 4: Commitments
- Module 5: Implementation Plan
- Module 6: Monitoring Progress
- Module 7: Readiness Check
- Module 8: Communicating Action
- Resource: Policy Template
- Resource: Implementation Plan
- Resource: Reporting Readiness

Moving beyond certification to address deforestation

Certification remains a relatively niche solution to a problem that needs to be urgently addressed. With less than 3% of global soy production covered by any certification scheme, other tools and mechanisms that can credibly incentivise landowners whilst demonstrating a clean supply chain are critical.

Below are some of the initiatives and approaches that the RSG engaged with to help promote a broader shift in the sector:



Responsible Commodities Facility

Worked with convenors to assess the credibility of a proposed [low-interest loan scheme](#) that directly benefits landowners that promise not to deforest or convert their land, using a 2020 cut-off date.



Due Diligence Legislation

We have [publicly supported](#), and privately contributed to, the development of legislation in Europe and the United Kingdom to level the playing field.



National Manifestos

Market-level commitments are now in place in three countries: France, the Netherlands and the United Kingdom. In 2022 and 2023 we worked to align the convenors on best practices and lessons learnt within each market.



Retailer Commitment to Nature

A 'basket metric' was launched by WWF-UK to highlight the key sustainable sourcing and operational areas that retailers should be addressing. The RSG has provided input into its implementation.



Sector Working Groups

Engagement with the feed and livestock sectors is necessary to address anything regarding the sustainable transformation of the soy sector. We have continued efforts with FEAC, AIC and major livestock producers to gain their understanding and alignment with the timetables of retailer commitments.

Key Success Brazil Trip

In March 2023, we convened a field trip to Brazil to learn more about the challenges and opportunities facing the region, and to share perspectives and dialogues between producers and end market consumers.

Our delegation at retailers, brands, and civil society partners met with a wide range of contacts, from soy producers to the Brazilian government's head of deforestation policy.

Key topics of dialogue included:

- Zero deforestation and conversion
- Innovation to reduce time to productivity on degraded land
- Pesticide controls and management
- Enforcement of existing laws

As a result of our trip we achieved the following:

- A major Brazilian dairy producer is now seeking to develop a model to directly support soy farmers indirectly in their supply chain.
- Minister for Agriculture introduced to Responsible Commodities Facility as a concept that will be explored in further dialogue at the Ministry.



- WWF Brazil
- Ministry for the Environment (MMA)
- Ministry for Agriculture (MAPA)
- Embrapa



- Responsible Commodities Facility Beneficiary Visit
- RTRS farm visit
- Soy Warehouse
- Amaggi HQ



- Cargill
- Port tour



Key Success European Soy Trip

Connecting with producers on each side of the Atlantic

In June 2023, we organised a trip with Donau Soja to visit the end-to-end European soy value chain. Our trip focused on speaking with the producers and feed and oil sector actors that are the 'hidden players' in retail supply chains that make the key choices on where and how soy is purchased.



Defining what is 'high risk'

Many initiatives – including new regulations – focus on ensuring that the risk of deforestation and conversion is eliminated, or down to negligible levels. However, there remains broad interpretation of what this means in practice. Our work in this area has been one of promoting consistency and alignment between organisations and stakeholders so that a common framework is enacted by supply chains. Should we not have this alignment, there is a possibility of paralysis where one party considers something at risk when another does not.



Policy Maker Engagement

We continue to engage in dialogue with governing authorities to discuss the resources, tools, and approaches that will be effective in mitigating risk. This includes conversations with the British government as well as private sector groups, such as the Consumer Goods Forum's Forest Positive Coalition.



RSG Representative Will Schreiber with the Brazilian ambassador to the United Kingdom.

Being an active partner in change

We continue to work with a wide range of stakeholders and groups to support our common aims. The organisations on the right have been the key groups we have collaborated with over the past two years.



RSG Representative Will Schreiber on a panel discussing downstream customer interests in sustainable soy at the [RTRS Meeting Point](#) in Sao Paolo in October 2023.



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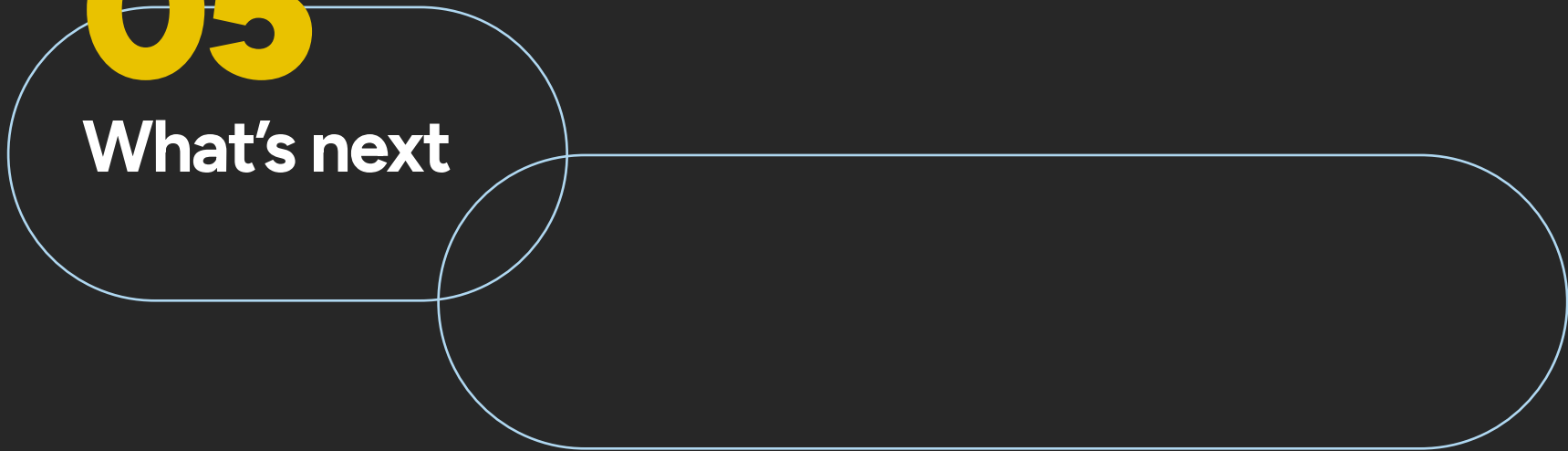
Issues identified and actions taken

Issues and grievances raised

Date	Grievance Raiser	Link to Grievance	Companies concerned	Issue summary	Actions taken	Status
April 2022	Soil Association	Stop poison poultry	UK retail	<ul style="list-style-type: none"> → Use of highly hazardous pesticides in Brazilian soy production 	<ol style="list-style-type: none"> 1. Engagement with the Soil Association. 2. Advocacy in multi-stakeholder forums for the inclusion of pesticide use in sustainability criteria for production standards. 	Closed
July 2022	Mighty Earth	Promises, promises!	Cargill, Bunge, LDC, COFCO, ALZ Grãos	<ul style="list-style-type: none"> → Deforestation and conversion linked to soy production in Brazil that occurred on farms after August 2020. → Some deforestation alleged to be possibly illegal clearance. 	<ol style="list-style-type: none"> 1. RSG engagement with concerned shippers to determine what their internal investigations determined in response to the allegations. 2. Confirmation that no clearance in supply chains was done illegally. 	Closed

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What's next



2024 Priorities

This year, we will continue to work through our approach of education and capacity building to ensure retail supply chains are prepared for impending, and emerging, legislative requirements around the world.

Key new areas include establishing best practices in the critical tools that will drive sector transformation:

- Robust monitoring and verification of supply chain actions from field to shop
- Transparency and reporting of business actions

Our five priority areas carry equal importance for our work and will be implemented in parallel so that we may make progress across the board.

Member views on most important areas to work on collectively in 2024



Monitoring and verification systems



Closing the legislative gap on conversion and non-forest ecosystems



Due diligence implementation



Best practices in deforestation-free reporting



Non-certification routes to deforestation free

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